

MARKEY RELEASES DIGITAL TV GAO REPORT
Study Finds DTV Transition Woefully Behind Schedule
Markey Calls For Increased Gov't Action

The following can be attributed to U.S. Representative Edward J. Markey (D-MA), Ranking Democrat, House Subcommittee on Telecommunications and the Internet:

"I am pleased to release this excellent and timely GAO report on the digital television transition.

"With the May 1st deadline for all of America's commercial broadcasters to complete construction of their digital television (DTV) facilities merely days away, it is readily apparent that the digital television transition is largely stalled. "The GAO report clearly underscores the need for government involvement so that the DTV transition doesn't permanently take on a 'waiting-for-Godot' quality.

"DTV still has incredible potential for being a driver of economic growth and job creation, but its promise has been held back for far too long due in part to the reluctance of policymakers to insist forcefully on more progress and to inter-industry jockeying for advantage. "As important as it is to exhort the industry to do more, and as welcome as it is to call upon industry leaders for voluntary efforts, such hortatory rhetoric is no substitute for real action because voluntary efforts alone will not achieve our important policy objectives. That's because at its core, the DTV transition represents a government-driven policy, not a market-driven phenomenon - and therefore it is imperative that government do more to create the conditions and environment for policy success. Failure to do so is unfair to consumers, taxpayers, and to the various high tech industries with a stake in the future of television.

"The GAO's findings on whether market-driven forces alone can be relied upon for a timely transition are illuminating. In the absence of government-required construction mandates, even those stations already up and running indicated they would have waited far longer before starting DTV. Responses from currently-broadcasting DTV stations indicated that 32 percent would not have had their stations up today but would have had their station broadcasting in digital by 2006, 13 percent by 2010, and 17 percent after 2010. Among stations still in transition, the responses skew even more toward later construction and broadcast starts: 41 percent said they'd have had it planned by 2006, 20 percent by 2010, and 31 percent after 2010.

"I believe these numbers speak for themselves as to whether 'volunteerism' will effectuate a timely transition. Because the United States embarked on an industrial policy of moving the entire broadcast industry to a new digital format, it is imperative that government officials follow through and put the rules on the books to make the transition both timely and successful. The cable industry, programmers, and manufacturers currently do not have obligations to meet in furtherance of the digital television transition.

"The GAO report also concludes that the overwhelming majority (74%) of commercial broadcast stations around the country will not meet the construction deadline. It highlights how issues of funding, lack of programming, low consumer demand and other issues have complicated efforts of broadcasters to begin broadcasting in digital.

With respect to funding issues, 17 percent of stations that have yet to go digital reported that they still did not know how they would fund the construction of their DTV station - and 6 percent said they were even contemplating the sale of the station to a large ownership group in order to fund the DTV transition.

“Once on the air, other problems arise for many stations, and derivatively, therefore, for millions of viewers who decide to purchase HDTV sets. While the CBS television network provides its consumers and its affiliates an average of 33 hours of HDTV programming per week, the GAO found that affiliates of at least three networks, namely PAX, UPN, and WB, reported broadcasting no HDTV programming. Moreover, when asked what they planned to do within the first year of broadcasting in digital, 34 percent said they planned to provide viewers with “some HDTV content,” yet a significant 43 percent responded that they planned to show “nothing more than content that has been converted from analog to digital.” The GAO report will be available on the GAO website: www.gao.gov

###